

House Bill 66

By: Representative Davis of the 109<sup>th</sup>

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation,  
2 so as to abolish the state income tax; to increase the rate of tax on the retail purchase, retail  
3 sale, rental, storage, use, or consumption of certain tangible property and on certain services;  
4 to provide for applicability with respect to building and construction materials and to certain  
5 services; to provide for application of sales and use taxes with respect to certain sales of motor  
6 fuels; to provide for conforming changes with respect to certain tax ceilings, imposition of  
7 taxes, collection from dealers, disposition of certain excess taxes, compensation of dealers  
8 for reporting and paying taxes, and payment of taxes by certain contractors; to provide for  
9 editorial revision; to provide for other matters relative to the foregoing; to provide for an  
10 effective date; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
14 amended by repealing in its entirety Chapter 7, relating to income taxes.

15 **SECTION 2.**

16 Said title is further amended by adding a new Chapter 7 to read as follows:

17 "CHAPTER 7

18 48-7-1.

19 On and after January 1, 2008, there shall be no income taxes whatsoever levied or collected  
20 by the state or any political subdivision thereof and no income tax returns are required."

**SECTION 3.**

Said title is further amended by adding a new Code section to read as follows:

"48-8-1.1.

(a) As used in this Code section, the term 'building and construction materials' means all building and construction materials, supplies, fixtures, or equipment, any combination of such items, and any other leased or purchased articles when the materials, supplies, fixtures, equipment, or articles are to be utilized or consumed during construction or are to be incorporated into construction work pursuant to a bona fide written construction contract.

(b) The increased rate of state sales and use taxation from 4 percent to 8 percent shall not apply with respect to the sale or use of building and construction materials when the contract pursuant to which the materials are purchased or used was advertised for bid prior to January 1, 2008, and the contract was entered into as a result of a bid actually submitted in response to the advertisement prior to January 1, 2008; provided, however, that any such sale or use shall remain fully taxable at the prior rate of taxation.

(c) With respect to services which are regularly billed on a monthly basis, the increased rate of state sales and use taxation from 4 percent to 8 percent shall apply to services billed on or after January 1, 2008; provided, however, that any such services billed prior to such date shall remain fully taxable at the prior rate of taxation."

**SECTION 4.**

Said title is further amended by revising subsections (a) and (b) of Code Section 48-8-3.1, relating to sales tax exemptions as applied to motor fuels, as follows:

"(a) Except as provided in subsection (b) of this Code section, sales of motor fuels as defined in paragraph (9) of Code Section 48-9-2 shall be exempt from the first ~~3~~ 7 percent of the sales and use taxes levied or imposed by this article and shall be subject to the remaining 1 percent of the sales and use taxes levied or imposed by this article.

(b) Sales of motor fuel other than gasoline which motor fuel other than gasoline is purchased for purposes other than propelling motor vehicles on public highways as defined in Article 1 of Chapter 9 of this title shall be exempt from the first 4 percent of the sales and use taxes levied or imposed by this article and shall be ~~fully~~ subject to the remaining 4 percent of the sales and use taxes levied or imposed by this article unless otherwise specifically exempted by this article."

**SECTION 5.**

Said title is further amended by revising Code Section 48-8-30, relating to the rate and imposition of the state sales and use tax, as follows:

"48-8-30.

(a) There is levied and imposed a tax on the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on the services described in this article.

(b)(1) Every purchaser of tangible personal property at retail in this state shall be liable for a tax on the purchase at the rate of ~~4~~ 8 percent of the sales price of the purchase. The tax shall be paid by the purchaser to the retailer making the sale, as provided in this article. The retailer shall remit the tax to the commissioner as provided in this article and, when received by the commissioner, the tax shall be a credit against the tax imposed on the retailer. Every person making a sale or sales of tangible personal property at retail in this state shall be a retailer and a dealer and shall be liable for a tax on the sale at the rate of ~~4~~ 8 percent of the gross sale or gross sales; or the amount of taxes collected by him or her from his or her purchaser or purchasers, whichever is greater.

(2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the purchaser at retail.

(c)(1) Upon the first instance of use, consumption, distribution, or storage within this state of tangible personal property purchased at retail outside this state, the owner or user of the property shall be a dealer and shall be liable for a tax at the rate of ~~4~~ 8 percent of the cost price, except as provided in paragraph (2) of this subsection.

(2) Upon the first instance of use, consumption, distribution, or storage within this state of tangible personal property purchased at retail outside this state and used outside this state for more than six months prior to its first use within this state, the owner or user of the property shall be a dealer and shall be liable for a tax at the rate of ~~4~~ 8 percent of the cost price or fair market value of the property, whichever is the lesser.

(3) This subsection shall not be construed to require a duplication in the payment of the tax. The tax imposed by this subsection shall be subject to the credit otherwise granted by this article for like taxes previously paid in another state.

(c.1)(1) Every purchaser of tangible personal property at retail outside this state from a dealer, as defined in subparagraph (H) of paragraph (3) of Code Section 48-8-2, when such property is to be used, consumed, distributed, or stored within this state, shall be liable for a tax on the purchase at the rate of ~~4~~ 8 percent of the sales price of the purchase. It shall be prima-facie evidence that such property is to be used, consumed, distributed, or stored within this state if that property is delivered in this state to the purchaser or agent thereof. The tax shall be paid by the purchaser to the retailer making the sale, as provided in this article. The retailer shall remit the tax to the commissioner as provided in this article and, when received by the commissioner, the tax shall be a credit against the tax imposed on the retailer. Every person who is a dealer, as defined in subparagraph (H) of paragraph (3) of Code Section 48-8-2, and who makes any sale of tangible personal property at retail outside this state which property is to be delivered in this state to a purchaser or

1 purchaser's agent shall be a retailer and a dealer for purposes of this article and shall be  
2 liable for a tax on the sale at the rate of ~~4~~ 8 percent of such gross sales or the amount of  
3 tax as collected by that person from purchasers having their purchases delivered in this  
4 state, whichever is greater.

5 (2) No retail sale shall be taxable to the retailer or dealer which is not taxable to the  
6 purchaser at retail. The tax imposed by this subsection shall be subject to the credit  
7 otherwise granted by this article for like taxes previously paid in another state. This  
8 subsection shall not be construed to require a duplication in the payment of the tax.

9 (d)(1) Every person to whom tangible personal property in the state is leased or rented  
10 shall be liable for a tax on the lease or rental at the rate of ~~4~~ 8 percent of the gross lease  
11 or rental charge. The tax shall be paid to the person who leases or rents the property by the  
12 person to whom the property is leased or rented. A person who leases or rents property  
13 to others as a dealer under this article shall remit the tax to the commissioner, as provided  
14 in this article. When received by the commissioner, the tax shall be a credit against the tax  
15 imposed on the person who leases or rents the property to others. Every person who leases  
16 or rents tangible personal property in this state to others shall be a dealer and shall be liable  
17 for a tax on the lease or rental at the rate of ~~4~~ 8 percent of the gross lease or rental  
18 proceeds; or the amount of taxes collected by him or her from persons to whom he or she  
19 leases or rents tangible personal property, whichever is greater.

20 (2) No lease or rental shall be taxable to the person who leases or rents tangible property  
21 to another which is not taxable to the person to whom the property is leased or rented.

22 (3) The lessee of both taxable and exempt property in this state under a single lease  
23 agreement containing a lease period of ten years or more shall have the option to discharge  
24 in full all sales and use taxes imposed by this article relating to the tangible personal  
25 property by paying in a lump sum ~~4~~ 8 percent of the fair market value of the tangible  
26 personal property at the date of inception of the lease agreement in the same manner and  
27 under the same conditions applicable to sales of the tangible personal property.

28 (e) Upon the first instance of use within this state of tangible personal property leased or  
29 rented outside this state, the person to whom the property is leased or rented shall be a dealer  
30 and shall be liable for a tax at the rate of ~~4~~ 8 percent of the rental charge paid to the person  
31 who leased or rented the property, subject to the credit authorized for like taxes previously  
32 paid in another state.

33 (e.1)(1) Every person who leases, as lessor, or rents tangible personal property outside  
34 this state for use within this state shall be liable for a tax at the rate of ~~4~~ 8 percent of the  
35 rental charge paid for that lease or rental if that person is a dealer, as defined in  
36 subparagraph (H) of paragraph (3) of Code Section 48-8-2, and title to that property  
37 remains in that person. It shall be prima-facie evidence that such property is to be used

1 within this state if that property is delivered in this state to the lessee or renter of such  
2 property, or to the agent of either. The tax shall be paid by the lessee or renter and payment  
3 of the tax shall be made to the lessor or person receiving rental payments for that property,  
4 which person shall be the dealer for purposes of this article. The dealer shall remit the tax  
5 to the commissioner as provided in this article; and, when received by the commissioner,  
6 the tax shall be a credit against the tax imposed on the dealer. Every person who is a dealer,  
7 as defined in subparagraph (H) of paragraph (3) of Code Section 48-8-2, and who leases  
8 or rents tangible personal property outside this state to be delivered in this state to the  
9 lessee, renter, or agent of either shall be a dealer and shall be liable as such for a tax on the  
10 lease or rental at the rate of ~~4~~ 8 percent of the gross proceeds from such leases or rentals  
11 or the amount of taxes collected by that dealer for leases or rentals of tangible personal  
12 property delivered in this state, whichever is greater.

13 (2) No lease or rental shall be taxable to the dealer which is not taxable to the lessee or  
14 renter. The tax imposed by this subsection shall be subject to the credit granted by this  
15 article for like taxes previously paid in another state. This subsection shall not be  
16 construed to require a duplication in the payment of the tax.

17 (f)(1) Every person purchasing or receiving any service within this state, the purchase of  
18 which is a retail sale, shall be liable for tax on the purchase at the rate of ~~4~~ 8 percent of the  
19 gross charge or charges made for the purchase. The tax shall be paid by the person  
20 purchasing or receiving the service to the person furnishing the service. The person  
21 furnishing the service, as a dealer under this article, shall remit the tax to the commissioner  
22 as provided in this article; and, when received by the commissioner, the tax shall be a credit  
23 against the tax imposed on the person furnishing the service. Every person furnishing a  
24 service, the purchase of which is a retail sale, shall be a dealer and shall be liable for a tax  
25 on the sale at the rate of ~~4~~ 8 percent of the gross charge or charges made for furnishing the  
26 service; or the amount of taxes collected by him or her from the person to whom the  
27 service is furnished, whichever is greater.

28 (2) No sale of services shall be taxable to the person furnishing the service which is not  
29 taxable to the purchaser of the service.

30 (g) Whenever a purchaser of tangible personal property under subsection (b) or (c.1) of this  
31 Code section, a lessee or renter of the property under subsection (d) or (e.1) of this Code  
32 section, or a purchaser of taxable services under subsection (f) of this Code section does not  
33 pay the tax imposed upon him or her to the retailer, lessor, or dealer who is involved in the  
34 taxable transaction, the purchaser, lessee, or renter shall be a dealer himself or herself and  
35 the commissioner, whenever he or she has reason to believe that a purchaser or lessee has  
36 not so paid the tax, may assess and collect the tax directly against and from the purchaser,  
37 lessee, or renter, unless the purchaser, lessee, or renter shows that the retailer, lessor, or

dealer who is involved in the transaction has nevertheless remitted to the commissioner the tax imposed on the transaction. If payment is received directly from the purchaser, it shall not be collected a second time from the retailer, lessor, or dealer who is involved.

(h) The tax imposed by this Code section shall be collected from the dealer and paid at the time and in the manner provided in this article. Any person engaging or continuing in business as a retailer and wholesaler or jobber shall pay the tax imposed on the gross proceeds of retail sales of the business at the rate specified when proper books are kept showing separately the gross proceeds of sales for each business. If the records are not kept separately, the tax shall be paid as a retailer or dealer on the gross sales of the business. For the purpose of this Code section, all sales through any one vending machine shall be treated as a single sale. The gross proceeds for reporting vending sales shall be treated as if the tax is included in the sale and the taxable proceeds shall be net of the tax included in the sale.

(i) The tax levied by this Code section is in addition to all other taxes, whether levied in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes levied."

#### SECTION 6.

Said title is further amended by revising Code Section 48-8-32, relating to collection of the tax from dealers, as follows:

"48-8-32.

The tax at the rate of ~~4~~ 8 percent of the retail sales price at the time of sale or ~~4~~ 8 percent of the cost price at the time of purchase, as the case may be, shall be collectable from all persons engaged as dealers in the sale at retail, or in the use, consumption, distribution, or storage for use or consumption in this state of tangible personal property."

#### SECTION 7.

Said title is further amended by revising Code Section 48-8-43, relating to the disposition of certain excess taxes, as follows:

"48-8-43.

When the tax collected for any period is in excess of ~~4~~ 8 percent, the total tax collected shall be paid over to the commissioner less the compensation to be allowed the dealer."

#### SECTION 8.

Said title is further amended by revising subsection (d) of Code Section 48-8-63, relating to the payment of the tax by certain contractors, as follows:

"(d)(1) Any subcontractor who enters into a construction contract with a general or prime contractor shall be liable under this article as a general or prime contractor. Any general

1 or prime contractor who enters into any construction contract or contracts with any  
2 subcontractor, where the total amount of such contract or contracts between such general  
3 or prime contractor and any subcontractors on any given project equals or exceeds  
4 \$250,000.00, shall withhold up to ~~4~~ 8 percent of the payments due the subcontractor in  
5 satisfaction of any sales or use taxes owed this state.

6 (2) The prime or general contractor shall withhold payments on all contracts that meet the  
7 criteria specified in paragraph (1) of this subsection until the subcontractor furnishes such  
8 prime or general contractor with a certificate issued by the commissioner showing that all  
9 sales taxes accruing by reason of the contract between the subcontractor and the general  
10 or prime contractor have been paid and satisfied. If the prime or general contractor for any  
11 reason fails to withhold up to ~~4~~ 8 percent of the payments due the subcontractor under their  
12 contract, such prime or general contractor shall become liable for any sales or use taxes  
13 due or owed this state by the subcontractor."

#### 14 SECTION 9.

15 Said title is further amended by revising paragraphs (3.1), (4.1), and (5.1) of subsection (a) of  
16 Code Section 48-13-51, relating to the excise tax on rooms, lodgings, and accommodations,  
17 as follows:

18 "(3.1) Notwithstanding any other provision of this subsection, a county (within the  
19 territorial limits of the special district located within the county) and the municipalities  
20 within a county in which a trade and convention center authority has been created by  
21 intergovernmental contract between a county and one or more municipalities located  
22 therein, and which trade and convention center authority is in existence on or before March  
23 21, 1988, and which trade and convention center authority has not constructed or operated  
24 any facility before March 21, 1988, may levy a tax under this Code section at a rate of 6  
25 percent. A county or municipality levying a tax pursuant to this paragraph shall expend (in  
26 each fiscal year during which the tax is collected under this paragraph (3.1)) an amount  
27 equal to at least 62 1/2 percent of the total taxes collected at the rate of 6 percent for the  
28 purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding, supporting,  
29 acquiring, constructing, renovating, improving, and equipping buildings, structures, and  
30 facilities, including, but not limited to, a trade and convention center, exhibit hall,  
31 conference center, performing arts center, accommodations facilities including food  
32 service, or any combination thereof, for convention, trade show, athletic, musical,  
33 theatrical, cultural, civic, and performing arts purposes and other events and activities for  
34 similar and related purposes, acquiring the necessary property therefor, both real and  
35 personal, and funding all expenses incident thereto, and supporting, maintaining, and  
36 promoting such facilities owned, operated, or leased by or to the local trade and convention

center authority; or (C) for some combination of such purposes; provided, however, that at least 50 percent of the total taxes collected at the rate of 6 percent shall be expended for the purposes specified in subparagraph (B) of this paragraph (3.1). Amounts so expended shall be expended only through a contract or contracts with the state, a department of state government, a state authority, a convention and visitors bureau authority created by local Act of the General Assembly for a municipality, a local building authority created by local constitutional amendment, and a trade and convention center authority created by intergovernmental contract between a county and one or more municipalities located therein, or a private sector nonprofit organization or through a contract or contracts with some combination of such entities. The aggregate amount of all excise taxes imposed under this paragraph (3.1) and all sales and use taxes, and other taxes imposed by a county or municipality, or both, shall not exceed ~~13~~ 17 percent. Any tax levied pursuant to this paragraph (3.1) shall terminate not later than December 31, 2029, provided that during any period during which there remains outstanding any obligation issued to fund a facility as contemplated by this paragraph (3.1), secured in whole or in part by a pledge of a tax authorized under this Code section, the powers of the counties and municipalities to impose and distribute the tax imposed by this paragraph (3.1) shall not be diminished or impaired by the state and no county or municipality levying the tax imposed by this paragraph (3.1) shall cease to levy the tax in any manner that will impair the interests and rights of the holder of any such obligation. This proviso shall be for the benefit of the holder of any such obligation and, upon the issuance of any such obligation by a building authority created by local constitutional amendment, shall constitute a contract with the holder of such obligation. Notwithstanding any other provision of this Code section to the contrary, as used in this paragraph (3.1), the term: 'fund' or 'funding' shall include the cost and expense of all things deemed necessary by a building authority created by local constitutional amendment for the construction and operation of a facility or facilities including but not limited to the study, operation, marketing, acquisition, construction, financing, including the payment of principal and interest on any obligation of the building authority created by local constitutional amendment and any obligation of the building authority created by local constitutional amendment to refund any prior obligation of the building authority created by local constitutional amendment, development, extension, enlargement, or improvement of land, waters, property, streets, highways, buildings, structures, equipment, or facilities and the repayment of any obligation incurred by an authority in connection therewith; 'obligation' shall include bonds, notes, or any instrument creating an obligation to pay or reserve moneys and having an initial term of not more than 37 years; and 'facility' or 'facilities' shall mean any of the buildings, structures, and facilities described in subparagraph (B) of this paragraph (3.1) and any associated parking



1 areas or improvements originally owned or operated incident to the ownership or operation  
2 of such facility used for any purpose or purposes specified in subparagraph (B) of this  
3 paragraph (3.1) by a building authority created by local constitutional amendment."

4 "(4.1) Notwithstanding any other provision of this subsection, a county (within the  
5 territorial limits of the special district located within the county) or municipality within  
6 a county in which a coliseum authority has been created by local Act of the General  
7 Assembly and which authority is in existence on or before July 1, 1963, for the purpose  
8 of owning or operating a facility, may levy a tax under this Code section at a rate of 7  
9 percent. A county or municipality levying a tax pursuant to this paragraph shall expend (in  
10 each fiscal year during which the tax is collected under this paragraph (4.1)) an amount  
11 equal to at least 62 1/2 percent of the total taxes collected at the rate of 7 percent for the  
12 purpose of: (A) promoting tourism, conventions, and trade shows; (B) funding and  
13 supporting a facility owned or operated by such coliseum authority; or (C) for some  
14 combination of such purposes. Amounts so expended shall be expended only through a  
15 contract or contracts with the state, a department of state government, a state authority, a  
16 convention and visitors bureau authority created by local Act of the General Assembly for  
17 a municipality, a local coliseum authority, or a private sector nonprofit organization, or  
18 through a contract or contracts with some combination of such entities, except that  
19 amounts expended for purpose (B) may be so expended in any otherwise lawful manner  
20 without the necessity of a contract. The aggregate amount of all excise taxes imposed  
21 under this paragraph (4.1) and all sales and use taxes, and other taxes imposed by a county  
22 or municipality, or both, shall not exceed ~~+2~~ 16 percent. Any tax levied pursuant to this  
23 paragraph (4.1) shall terminate not later than December 31, 2028, provided that during any  
24 period during which there remains outstanding any obligation which is incurred prior to  
25 January 1, 1995, issued to fund a facility as contemplated by this paragraph (4.1), and  
26 secured in whole or in part by a pledge of a tax authorized under this Code section, the  
27 powers of the counties and municipalities to impose and distribute the tax imposed by this  
28 paragraph (4.1) shall not be diminished or impaired by the state and no county or  
29 municipality levying the tax imposed by this paragraph (4.1) shall cease to levy the tax in  
30 any manner that will impair the interest and rights of the holders of any such obligation.  
31 This proviso shall be for the benefit of the holder of any such obligation and, upon the  
32 issuance of any such obligation by a coliseum and exhibit hall authority, shall constitute a  
33 contract with the holder of such obligations. Notwithstanding any other provision of this  
34 Code section to the contrary, as used in this paragraph (4.1), the term: 'fund' and 'funding'  
35 shall include the cost and expense of all things deemed necessary by a local coliseum  
36 authority for the construction, renovation, and operation of a facility including but not  
37 limited to the study, operation, marketing, acquisition, construction, finance, development,

1 extension, enlargement, or improvement of land, waters, property, streets, highways,  
2 buildings, structures, equipment, or facilities, and the repayment of any obligation incurred  
3 by a local coliseum authority in connection therewith; 'obligation' shall include bonds,  
4 notes, or any instrument creating an obligation to pay or reserve moneys incurred prior to  
5 January 1, 1995, and having an initial term of not more than 30 years; and 'facility' shall  
6 mean a coliseum or other facility and any associated parking areas or improvements  
7 originally owned or operated incident to the ownership or operation of a facility used for  
8 convention and trade show purposes or amusement purposes, educational purposes, or a  
9 combination thereof and for fairs, expositions, or exhibitions in connection therewith by  
10 a local coliseum authority."

11 "(5.1) Notwithstanding any other provision of this subsection, a county (within the  
12 territorial limits of the special district located within the county) and the municipalities  
13 within a county in which a coliseum and exhibit hall authority has been created by local Act  
14 of the General Assembly for a county and one or more municipalities therein, and which  
15 local coliseum and exhibit hall authority is in existence on or before January 1, 1991, and  
16 which local coliseum and exhibit hall authority has not constructed or operated any facility  
17 before January 1, 1991, may levy a tax under this Code section at a rate of 8 percent. A  
18 county or municipality levying a tax pursuant to this paragraph shall expend (in each fiscal  
19 year during which the tax is collected under this paragraph (5.1)) an amount equal to at least  
20 62 1/2 percent of the total taxes collected at the rate of 8 percent for the purpose of: (A)  
21 promoting tourism, conventions, and trade shows; (B) funding, supporting, acquiring,  
22 constructing, renovating, improving, and equipping buildings, structures, and facilities,  
23 including, but not limited to, a coliseum, exhibit hall, conference center, performing arts  
24 center, or any combination thereof, for convention, trade show, athletic, musical, theatrical,  
25 cultural, civic, and performing arts purposes and other events and activities for similar and  
26 related purposes, acquiring the necessary property therefor, both real and personal, and  
27 funding all expenses incident thereto, and supporting, maintaining, and promoting such  
28 facilities owned, operated, or leased by or to the local coliseum and exhibit hall authority  
29 or a downtown development authority; or (C) for some combination of such purposes;  
30 provided, however, that at least 50 percent of the total taxes collected at the rate of 8  
31 percent shall be expended for the purposes specified in subparagraph (B) of this paragraph  
32 (5.1). Amounts so expended shall be expended only through a contract or contracts with  
33 the state, a department of state government, a state authority, a convention and visitors  
34 bureau authority created by local Act of the General Assembly for a municipality, a local  
35 coliseum and exhibit hall authority, a downtown development authority, or a private sector  
36 nonprofit organization or through a contract or contracts with some combination of such  
37 entities, notwithstanding any provision of paragraph (8) of this subsection to the contrary.

1 The aggregate amount of all excise taxes imposed under this paragraph (5.1) and all sales  
2 and use taxes, and other taxes imposed by a county or municipality, or both, shall not  
3 exceed ~~13~~ 17 percent; provided, however, that any sales tax for educational purposes which  
4 is imposed pursuant to Article VIII, Section VI, Paragraph IV of the Constitution shall not  
5 be included in calculating such limitation. Any tax levied pursuant to this paragraph (5.1)  
6 shall terminate not later than December 31, 2028, provided that during any period during  
7 which there remains outstanding any obligation issued to fund a facility as contemplated  
8 by this paragraph (5.1), secured in whole or in part by a pledge of a tax authorized under this  
9 Code section, the powers of the counties and municipalities to impose and distribute the  
10 tax imposed by this paragraph (5.1) shall not be diminished or impaired by the state and no  
11 county or municipality levying the tax imposed by this paragraph (5.1) shall cease to levy  
12 the tax in any manner that will impair the interests and rights of the holder of any such  
13 obligation. This proviso shall be for the benefit of the holder of any such obligation and,  
14 upon the issuance of any such obligation by a local coliseum and exhibit hall authority or  
15 a downtown development authority, shall constitute a contract with the holder of such  
16 obligation. Notwithstanding any other provision of this Code section to the contrary, as  
17 used in this paragraph (5.1), the term: 'fund' or 'funding' shall include the cost and expense  
18 of all things deemed necessary by a local coliseum and exhibit hall authority or a downtown  
19 development authority for the construction and operation of a facility or facilities  
20 including but not limited to the study, operation, marketing, acquisition, construction,  
21 financing, including the payment of principal and interest on any obligation of the local  
22 coliseum and exhibit hall authority or the downtown development authority and any  
23 obligation of the local coliseum and exhibit hall authority or the downtown development  
24 authority to refund any prior obligation of the local coliseum and exhibit hall authority or  
25 the downtown development authority, development, extension, enlargement, or  
26 improvement of land, waters, property, streets, highways, buildings, structures, equipment,  
27 or facilities and the repayment of any obligation incurred by an authority in connection  
28 therewith; 'obligation' shall include bonds, notes, or any instrument creating an obligation  
29 to pay or reserve moneys and having an initial term of not more than 37 years; 'facility' or  
30 'facilities' shall mean any of the buildings, structures, and facilities described in  
31 subparagraph (B) of this paragraph (5.1) and any associated parking areas or improvements  
32 originally owned or operated incident to the ownership or operation of such facility used  
33 for any purpose or purposes specified in subparagraph (B) of this paragraph (5.1) by a local  
34 coliseum and exhibit hall authority or a downtown development authority; and 'downtown  
35 development authority' shall mean a downtown development authority created by local Act  
36 of the General Assembly for a municipality pursuant to a local constitutional amendment."

1 **SECTION 10.**

2 This Act shall become effective on January 1, 2008.

3 **SECTION 11.**

4 All laws and parts of laws in conflict with this Act are repealed.